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C E N T R A L   I N T E L L I G E N C E   A G E N C Y

2 December 1954

MEMORANDUM FOR: Mr. Allan Evans (OIR)  
Lt. Colonel Paul S. Reinecke, USA (G-2)  
Captain B. E. Wiggin, USN (ONI)  
— Colonel William S. Boyd, USAF (AFOIN-2B2)  
Colonel Floyd E. Dunn, USA (JIG)

SUBJECT : NIE 31-54: Probable Developments in  
Yugoslavia

1. The attached terms of reference, indicating the allocations of production responsibility, were agreed on at the meeting of the IAC representatives on 1 December.

2. It is requested that contributions be received in this office by the close of business on 7 January.

STAT

PAUL A. BOREL  
Deputy Assistant Director  
National Estimates

Distribution "B"

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CENTRAL INTELLIGENCE AGENCY

1 December 1954

SUBJECT: TERMS OF REFERENCE: NIE 31-54: PROBABLE DEVELOPMENTS  
IN YUGOSLAVIA\*

THE PROBLEM

To estimate the situation and probable future developments in Yugoslavia with special emphasis on Yugoslavia's probable orientation.

QUESTIONS BEARING ON THE PROBLEM

I. INTERNAL SITUATION AND PROBABLE TRENDS

OIR

A. Political

1. What is the present organization of the government, the Party, and the mass organizations? How have the

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\* This estimate is designed to supersede NIE-93, "Probable Developments in Yugoslavia," dated 26 June 1953.

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organizational changes of the past two years, particularly the decentralization, affected the political system and the political atmosphere? How has the efficiency of the government been affected? How much have such developments, and the Djilas affair affected the stability of the government and its ability to control the country? What is the likely affect of the easing of tensions with the Bloc and with Italy on the stability of the government?

2. What is Tito's role in the Party and in the state? What are the relationships between the Party, the armed forces, the secret police, and the government? Are there any strains between these groups? Are strains likely to develop?
3. What would be the impact of Tito's death upon the stability of the regime? Upon its domestic policies? What person or group is most likely to take over if Tito died?

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4. What are the attitudes of the various religious groups, the peasants, the national minorities, the labor organizations, and the military toward the regime? What are the regime's policies toward these groups?
5. Is there any organized opposition to the regime? What is the extent of Cominform penetration, if any? Is there any pro-Cominform sympathy? Among what groups? Are important figures in the regime and the armed forces presently or potentially disloyal to Tito?
6. What would be the political consequences of a cessation, or serious curtailment, of Western aid?

OIR

B. Economic

1. What is the current economic situation?
2. What is the government's economic program?
3. What is the outlook with respect to:
  - a. Employment?
  - b. Industrial activity and the industrialization program?

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- c. Government finance?
  - d. Foreign trade? For balancing of payments and reduction of the foreign debts?
  - e. The communes?
  - f. Collectivization of agriculture?
  - g. Food supply? Including the overcoming of recurrent shortages?
  - h. Defense expenditures?
  - i. Effective incentives to producers and effective price relationships in the internal market system?
4. To what extent is the Yugoslav economic program dependent upon Western aid? Assuming that this aid continues, to what extent are present economic goals likely to be achieved? What would be the economic consequences of a cessation, or serious curtailment, of Western aid?

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5. What is the current Yugoslav gross national product? How does it compare with prewar Yugoslav GNP? What is the annual rate of growth of the GNP in the post-war years, and the likely future rate? What proportion of GNP is allocated to military purposes, capital investment, and nonmilitary consumption?
6. What is the situation and prospects with respect to revival of trade with the Bloc?
7. What is the outlook for the achievement of economic viability?

Services C.  
and OIR where  
indicated

Military

1. What are the present strength, equipment, training, morale, combat readiness, and mobilization potential of the Yugoslav forces? What are the main strengths and weaknesses? What is the disposition of these forces and what considerations appear to dictate this disposition?

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2. What is Yugoslavia's present armament and munitions production? Its potential?
3. Assuming no major change in the present Western program of military aid, and technical advice, what is the probable trend of Yugoslav military strength during the next few years? What would be the effect if Western aid were withdrawn or curtailed?
- OIR 4. What are Yugoslavia's present defense capabilities against a Satellite and/or Soviet invasion? For offensive campaigns against its Satellite neighbors?
5. What is the extent of Yugoslavia's cooperations with its Balkan Alliance partners? To what extent has such co-operation improved Yugoslavia's capability to defend itself against a Satellite and/or Soviet invasion? To conduct offensive campaigns?
- OIR 6. What is the situation with respect to Yugoslav-NATO military cooperation?

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7. What is the outlook for, and the potentialities of, Yugoslav-Italian military cooperation?

OIR II. PROBABLE FOREIGN POLICIES

A. Present Foreign Policy

1. What are the basic factors determining Yugoslavia's foreign policy? What is the Yugoslav view of the current world situation? Of current Soviet foreign policy?
2. How does Tito view his alignment with the West?
  - a. What is his policy with respect to the US, the UK, France?
  - b. What is Yugoslavia's policy toward its Balkan Alliance partners?
  - c. What is Yugoslavia's policy toward Italy?

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3. What is Yugoslavia's policy toward the Bloc? For example:
  - a. What has been the Yugoslav reaction to the Bloc's normalization overtures?
  - b. What is Yugoslavia's policy toward Communist China? Its estimate of Sino-Soviet relations?
  - c. What are the differences in Yugoslav policy toward the Satellites and toward the USSR?
  - d. What is Yugoslavia's policy toward Albania? How has the Balkan Alliance affected this policy.
4. How firm is Tito's present alignment with the West?

B. Probable Developments

1. How are Tito's relations with the Bloc likely to develop? What is the likelihood of Tito realigning himself with the Bloc? Under what circumstances might he return? What would be his conditions? What would be the consequences to the West?

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2. What is the likelihood of Tito taking a truly neutral position?
3. What is the likelihood that he will seek closer relations with the West, at least in the military and economic field?
  - a. What is the outlook for Yugoslav relations with Italy? What is Yugoslav policy with respect to Italy joining the Balkan Alliance?
  - b. What is the outlook for Yugoslav relations with the Balkan Alliance partners? To what extent is Yugoslavia likely to honor its Alliance commitments in the event of general war? In what contingencies might it fail to honor its commitments?
  - c. What is the outlook for relations with NATO?  
With WEU?

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4. What are Yugoslav intentions with regard to a "Third Force" composed of nations not now in either of the two big power blocs? What might Yugoslavia envisage as the nature of the ties between these states? What are the prospects for Yugoslav attempts to promote international cooperation among Socialist parties? What are Yugoslav capabilities to attain leadership of any middle grouping and to organize it into an effective international movement?
5. If Tito were removed from the scene, what would be the likelihood that his successors would adopt a different foreign policy?
6. How would the above developments be affected by a heightening or relaxation of cold war tensions? By a stiffening and relaxation of Soviet policy toward Yugoslavia?

III. SIGNIFICANCE OF DEVELOPMENTS IN YUGOSLAVIA

- A. What effect are probable developments in Yugoslavia and in Yugoslav policy likely to have upon:
  1. The strength and stability of neighboring non-Communist states?

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2. The political situation within neighboring Satellites?
3. The Western position and strength in the Balkan-Mediterranean area?
4. Communist parties and "Third Force" proponents around the world?

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